



February 21, 2008

The Honorable Nancy Pelosi, Speaker
U.S. House of Representatives
Washington, D.C. 20515

Dear Speaker Pelosi:

National Farmers Union (NFU) strongly supports the Renewable Energy and Energy Conservation Tax Act of 2008 and thanks you for your dedicated efforts to enact renewable energy tax legislation.

Rural America has the greatest potential for generating significant amounts of clean, renewable energy from wind and biomass. Not only does fostering renewable energy provide the opportunity for energy independence, it also provides a source for rural economic development that will significantly jump-start rural economies. The Renewable Energy and Energy Conservation Tax Act of 2008 provides critical and timely incentives to foster the continued investment in cellulosic ethanol and biodiesel, as well as the development of renewable electricity generation from wind and biomass.

Developing a robust renewable electricity industry would generate billions of dollars in investments in rural America, and billions more in economic opportunities to farmers, ranchers and rural landowners. Two provisions in this bill are essential to continued development of renewable electricity projects in rural America – the Production Tax Credit (PTC) and the Clean Renewable Energy Bonds (CREBs) program.

NFU applauds your efforts to extend the PTC for three years in light of its pending expiration. In the absence of a national Renewable Portfolio Standard, the PTC provides the most critical federal incentive to continue development of wind projects in rural communities. This credit, first enacted into law in 1992, has unfortunately lapsed on three occasions in the past -- 1999, 2001 and 2003. Each time investment dollars stopped flowing into projects, jobs were lost and the growth of the industry declined. Industry experts predict a significant decrease in development of new projects before this summer if the production tax credit is not extended soon. Your action could not be timelier.

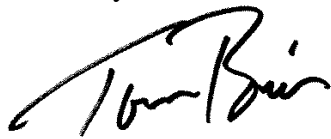
NFU also fully supports the provision in the bill authorizing \$2 billion for the CREBs program to help fund renewable electricity projects across the country. This funding is important to efforts to quickly expand projects in rural America.

In addition, National Farmers Union has long advocated for the use of ethanol, biodiesel, and other renewable energy sources, as key steps in increasing domestic demand for surplus farm commodities, lowering federal outlays of federal farm subsidies and decreasing our reliance on foreign oil. Because of Congress' actions to enact the original Renewable Fuels Standard in 2005 and to expand the mandate within the energy bill enacted in December, the renewable fuels industry is a success. Farmers and other local investors own more than 40 percent of the nation's ethanol facilities today. On an annual basis, a 40 million gallon ethanol plant creates \$110.2 million in local economic activity, generating \$19.6 million in additional household income, and supporting the creation of as many as 650 permanent new jobs throughout a rural community.

The Renewable Energy and Energy Conservation Tax Act of 2008 builds upon prior successes by creating a new tax credit to help jump-start commercial cellulosic ethanol production, extending tax incentives for biodiesel, and increasing the tax credit gas stations receive for installing alternative refueling pumps to dispense E85. These provisions will help ensure the continued expansion of renewable fuels usage in the United States, foster the development of the cellulosic ethanol industry, and continue to spur economic development in rural America.

Again, I appreciate your leadership on these issues and look forward to working with you to enact this legislation as soon as possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Buis", with a stylized, flowing script.

Tom Buis, President
National Farmers Union

cc: The Honorable Steny Hoyer, Majority Leader – U.S. House of Representatives;
 The Honorable Charles B. Rangel, Chairman – U.S. House of Representatives Ways
 and Means Committee